

Message Text

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16

ACTION EB-11

INFO OCT-01 AF-10 EUR-25 ISO-00 XMB-07 TRSE-00 CIAE-00

DODE-00 PM-07 H-03 INR-11 L-03 NSAE-00 NSC-07 PA-04

RSC-01 PRS-01 SP-03 SS-20 USIA-15 COME-00 AID-20

DRC-01 FRB-03 /153 W

----- 035285

R 291330Z JUL 74

FM AMCONSUL LOURENCO MARQUES

TO SECSTATE WASHDC 2758

INFO AMEMBASSY LISBON

LIMITED OFFICIAL USE LOURENCO MARQUES 0615

E.O. 11652: N/A

TAGS: ETRN, BGEN, MZ

SUBJECT: EXIMBANK FINANCING OF GE LOCOMOTIVES

REF: STATE 150629

1. WE CONVEYED SUBSTANCE OF REFTTEL TO ENG. CAMINO TEXIERA, DIRECTOR OF CFM, WHO EXPRESSED GREAT DISPLEASURE WITH PROSPECT OF FURTHER DELAY IN OBTAINING EXIMBANK FINANCING FOR LOCOMOTIVES. AMONG POINTS HE MADE WERE:

A. EXIMBANK NEGOTIATIONS WITH BNU LISBON ON GUARANTEE FOR SUBJECT LOAN DATE BACK AT LEAST SIX MONTHS. WHEN ONE OBSTACLE APPEARS OVERCOME, ANOTHER ARISES.

B. IN VIEW CURRENT POLITICAL DEVELOPMENTS IN PORTUGAL AND MOZAMBIQUE, IT QUITE POSSIBLE GOP MAY BE UNWILLING TO GIVE GUARANTEE FOR FOREIGN EXCHANGE COVER FOR MOZAMBIQUE, TERRITORIES WHICH MAY BE INDEPENDENT SOON. THEREFORE, EXIMBANK SHOULD DEAL WITH MOZAMBIQUE FINANCIAL INSTITUTIONS DIRECTLY.

C. CFM IS CURRENTLY PAYING HIGH INTEREST RATE FOR INTERIM FINANCING FROM CHASE MANHATTAN FOR LOCOMOTIVES, MOST OF

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WHICH HAVE ALREADY BEEN DELIVERED.

2. ACTION REQUESTED: SINCE TEIXEIRA'S YEARS RE FINANCIAL
GUARANTEES FROM BNU OR ROP MAY BE WELL-FOUNDED, WE ARE
CONCERNED AT PROSPECT OF FURTHER DELAYS WITH BLAME PLACED
ON USG. IN VIEW OF TEIXEIRA'S POSITION, LOSS OF HIS GOODWILL
COULD JEOPARDIZE PRIORITY GIVEN TO US NAVAL VESSELS IN
DOCKING AT LOURENCO MARQUES (TWO DESTROYERS COMING AUG 1-3)
AND POSSIBLY ALSO DAMAGE PORT RELATIONS FOR US COMMERCIAL
SHIPPING. WE THEREFORE REQUEST EXIMBANK AND AMEMBASSY LISBON
TO EXERT AS MUCH PRESSURE AS FEASIBLE ON BNU'S MESQQITA DA
CUNHA TO EXPEDITE CONCLUSION OF CREDIT AGREEMENT AND EXIMBANK
TO DO EVERYTHING POSSIBLE TO EXPEDITE LOAN AGREEMENT.
WALKER

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Message Attributes

Automatic Decaptioning: X
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